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## **Mayor Tim Kelly's One Chattanooga Budget Approved by City Council**

*Budget includes \$10 million for paving roads, \$33 million toward affordable housing, 3 percent cost-of-living increase for city workers, and no tax increase*

**Chattanooga, Tenn. (Tuesday, June 14, 2022)** — Chattanooga City Council on Tuesday approved Mayor Tim Kelly's One Chattanooga budget on second reading, unlocking \$10 million in additional road paving, \$33 million toward homes residents can afford, and \$2 million toward homelessness prevention and rehousing efforts — with no tax increase.

And essential city workers, including sworn employees, will receive a 3 percent cost of living adjustment, raising the city's minimum wage to \$15.45/hour.

Nearly 58 percent of the city's operating budget will go toward continued funding for the first responders and essential workers at the Chattanooga Police Department, Chattanooga Fire Department, and the Department of Public Works.

The new budget — which covers July 1, 2022 through June 30, 2023 — is built around the mayor's [One Chattanooga strategic plan](#), a broad, systems-focused vision that he unveiled at a State of the City presentation in the Spring.

"I've long said that Chattanooga has the potential to be the greatest city in the country, and by funding initiatives at the core of the One Chattanooga plan, we are now one important step closer to making that vision a reality," said Mayor Tim Kelly. "I want to thank the Chattanooga City Council for their partnership as we move full steam ahead to make our city a place where all residents can thrive and prosper."

The budget is available for the public to view at [budget.Chattanooga.gov](https://budget.Chattanooga.gov).

"The city's steadfast stewardship of taxpayer dollars allowed us to develop a fiscally sound budget that includes unprecedented investments in the things that matter most to Chattanoogaans — affordable housing, public safety, better roads, and better government," said Brent Goldberg, the city's chief financial officer.

## **Public Safety**

Nearly half of the city's operating budget will flow into public safety this year, with the Police Department and Fire Department making up 46 percent of general fund expenditures.

This year's budget will fund violence intervention programs, victim services, and CPD's recently launched focused deterrence efforts and Crisis Response Unit. Funding is also set aside for a new executive director of community safety and gun violence prevention, a position that was planned months ago to help shape and lead implementation of the City's plan for reducing violent crimes in the community.

The city will also continue to fund a number of existing initiatives that address the root causes of violence through education, jobs training, and social services, including the city's Community Forward Schools initiative, the EMPACT program, and its support for the Construction Academy.

## **Housing and Homelessness**

The budget includes an unprecedented \$33 million to help address the city's housing crisis head-on by increasing both home affordability and accessibility for regular Chattanoogaans.

Median housing prices have increased 80.7 percent since 2015, leaving 43 percent of renters defined as "housing burdened," or spending more than 30 percent of their income on housing. And more than 20 percent of renters in Chattanooga are "housing insecure," defined as spending more than half of their income on housing, placing them at severe risk of eviction and potentially, homelessness.

The \$33 million seed investment will catalyze the city's \$100 million affordable housing initiative, which includes partnerships with the nonprofit, philanthropic, financial and homebuilding sectors. The multi-pronged approach involves investing in programs that provide subsidies, gap financing, and down-payment assistance to begin filling an estimated housing gap of more than 5,000 homes across Chattanooga.

The budget also allocates more than \$2 million toward homelessness prevention and rehousing efforts, including funding for the recently opened temporary sanctioned encampment, and the rehabilitation of a former hotel into permanent supportive housing.

## **Infrastructure and Neighborhood Livability**

The budget includes a \$131 million investment into infrastructure, including sidewalks, bridges, traffic signal synchronization, sewer, and stormwater projects. It sets aside \$10 million for repaving roads, in fulfillment of Mayor Kelly's commitment to invest \$40 million into road repair over four years.

In Kelly's first year, the city repaired more than 33 lane miles of asphalt and fixed more than 11,411 cracks, divots, and potholes. Kelly reiterated his commitment to revitalizing the city's aging infrastructure, which has been one of residents' most-voiced concerns.

The city will continue to invest heavily in preserving and enhancing its green spaces, with \$14.18 million going toward parks and outdoors. Chattanooga's outdoor resources are among its greatest competitive advantages, serving as a critical economic driver and contributing to the city's quality of life. Over the next year, the city will complete its master parks and outdoor plan, with the goal of ensuring that every resident is within a 10-minute walk of a park or green space.

### **Essential Pay for Essential Workers**

As a service-focused entity, about 62 percent of the city's operational expenditures go toward employee pay and benefits.

Recognizing that quality and continuity of essential services depends on the city's corps of essential workers, the new budget also includes a 3 percent cost of living adjustment for city workers, including sworn employees, raising the city's minimum wage to \$15.45/hour. The city is also absorbing increases in health insurance costs this year to ensure that employees won't see a premium increase.

For the first time in history, the City will provide supplemental funds for federal Head Start workers to increase their minimum wage to \$15.45 per hour, implement a new comprehensive pay plan, and help strengthen the city's Pre-K programs.

This year's pay increase builds on the mayor's \$30 million investment into employee pay last year, at a time when the city was hemorrhaging workers and in danger of browning out fire stations and cutting back on essential services. In bringing employees up to a market rate of pay, they received an average 15 percent salary increase, which allowed the city to restore and expand many of the services on which our residents depend.

The budget also includes a number of investments into a more effective and responsive government, including additional inspectors and specialists, additional truck drivers, and an innovation fund to help the city fuel new ideas to address resident concerns more effectively.

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